

Market opportunities for rosé wine in Germany

Rudolf Nickenig, Bonn

Introduction

First of all I would like to thank to Professor Calo for the invitation. It is a great honour and pleasure for me to participate in this congress.

Secondly I would tell you that I am impressed by your region, by the unique culture by the historique buildings, by the healthy food, by your wonderful wines, by the warm welcome. I hope that I can give you something back by my speech.

A few days ago I received an e-mail from an online wine vendor. The text began as follows: “Dear wine lover, fresh and floral, fruity, crisp, mineral, with hints of saltiness – a genuine Premium rosé wine is completely different from many of the preconceptions that we have about it. No structure, no depth, not a proper wine, is what those who don’t like rosé have to say – and thereby they miss the best alternative to a light red wine and a fresh white wine. Our rosé wines offer both: The full-bodied fruits of a red wine and the tangy freshness of a white wine. Discover the pink coloured world of rosé wines!” What this letter from a wine merchant tells me is that, even among wine lovers and regular customers rosé wines need to be explained and defended against preconceptions!

Trendy rosé wines from creative winemakers?

Everybody knows in our sector: Good rosé wines can be the perfect summer refreshment and an adaptable accompaniment to food. Is that knowledge the start and the end of our Roséwine story?

Winemakers, who pay close attention to the production of rosé wines, know that they need to decide long before harvesting and pressing whether they are making a red or a rosé. The production of an elegant rosé wine begins in the vineyard. Many winemakers remove less leaves from around the grapes than they would for red wines, in order to shade the grapes from too much sunlight and to retain more freshness.

Rosé wines spur the fantasy of creative winemakers during production and marketing. For example: to produce a “Rosé d’une nuit”, pinot and portugieser grapes are picked very early, before they are fully ripe. The must is left on the skins for a single night and then pressed.

It is important that wine lovers can read such stories about rosé wines in the wine magazines – so that they can get a new reception of rosé wines.

Tradition

Rosé wines have a remarkable tradition in some German wine-growing regions – but with a regional identification and not the name “rosé wine”.

When the culture-hungry English made their way towards Italy during the middle of the 19th century on their "Grand-Tour" they came into contact with wines from the Rhine. They reserved the highest praise for white Riesling and pale red Burgundy wines that carried the name "Bleichert" (Ahr-Bleichert).

In the wine-growing region around Stuttgart, in Württemberg, there was another regional pale-red coloured specialty, the "Schillerwein" which was made from a mixture of white and red grapes. Today, we sometimes forget that one or two hundred years ago red and white grapes were being planted together in a field blend!

Time and production methods had changed!

Market share of rosé wines from the total market

Before speaking about rosé wine I should mention that the German market is about 20 Mio Hektoliters of wine! One of the biggest global markets. There is a production of about 9 Mio. hl of German wines from that nearly 2 Mio. hl are exported. The remaining 7 Mio. hl German wines and 13 Mio. hl imported wines represent the total market. 45 % of the imported wines are from Italy!

Rosé wines have become significant for the German market since the turn of the century. The market share in 2000 was 8%, since which it has risen to 11% in 2011!

In the last two years rosé wine sales have sunk a little, but the market share is still over 10%. Against this, white wines gained ground in 2011, following red wines, which became important in the years before.

Market share of German rosé wines

It is interesting that the market share of German rosé wines is higher than that of imported wines for the total market. In 2010 it was 12%, the highest ever, and in the last two years it has remained at over 11%.

It is the same for German wines on the domestic market: following years of growth for red wine, German white wine has gained ground in the last 5 or 6 years!

There is a German wine-growing region that markets a disproportionately high amount of rosé wines. It is called Baden. The market share for rosé wines from Baden in 2010 was 12% of the total volume of all wine from Baden, and in 2013 it had risen to 18%. The most predominant grape in Baden is the Pinot Noir. Following a minor decline in demand for red wine the rosé segment has become an important part of the product range.

This is also true for neighbouring Württemberg, in which rosé wine sales have increased from 10% to 13.5% during the same period.

Several random samplings serve as an illustration of these total numbers: On the current [Jaques Weindpot](#) website there are 22 rosé wines on offer, compared with 182 red wines and 108 white wines.

The online vendor Vinexus has over 4000 wines on offer! From this unbelievably extensive range only 135 are rosé wines, barely 3% of the total. The same is true at Hawesko, which offers over 700 wines online, the proportion of rosé wines is currently only 3%. Maybe these low levels are due to the fact that for many people May is too early for rosé wines – because they are mainly marketed as seasonal summertime wines in Germany. Before I look into this further, I'd like to take a glance at the countries of origin for rosé wines on the German market:

Countries of origin for rosé wines on the German market

Most of the rosé wines on German shelves come from German wine-growing regions. The fluctuations in market share are, among other reasons, due to fluctuations in grape harvests levels.

The second most important rosé wine supplier is France. Rosé wines from Languedoc from well-known brands have been available in German supermarkets for many years.

Third place is contested between Italy and Spain. Last year Spain clearly outperformed Italy with 12.9% to only 8.8%. A basic explanation is certain to be found in the advances made in harvest levels, which Spain has developed strong during the last years.

Other European countries account for about 15% of all rosé wines, with Austria as the most important supplier.

It is amazing that rosé wines from outside Europe only make up 4% of the German market, making them something of a niche product, and have even lost market share compared with last year.

Let's have a closer look at the product range of the online vendors mentioned above. We can see that there is differing emphasis on countries of origin. This is, however not surprising because the vendor wants to offer wines from different countries. For example, Hawesko has 50% of its rosé wines from France and only 20% from Italy. Vinexus, which was once a specialist overseas vendor, offers more rosé wines from overseas than the others. The product range of this portal is as follows: South Africa 21%, France and Italy 18% each, Spain 16%, Chile 6%.

Price levels in supermarkets

As we all know the average price for wine in supermarkets is very low, especially in discount supermarkets.

This is common to many countries and in Germany price competition is very pronounced. Over half of all wine sold in Germany comes from discount supermarket such as Aldi, Lidl and Penny!

The average prices may meet with disapproval, because, from the point of view of the producer, they are much too low. However, they have increased since 2007, with red wines rising the most but also an upward trend with white and rosé wines.

The most important online vendors have entry-level prices for rosé wine that match those for white and red wines, sometimes they are even higher. At Hawesko the cheapest rosé wine currently on offer costs 5.90 Euro, whereas the cheapest white is priced at 5.20 Euro and the cheapest red is 5.70 Euro. The same applies at Vinexus: the cheapest rosé wine costs 4.30 Euro, the cheapest white is 3.39 Euro and the cheapest red wine is priced at 3.99 Euro.

At all Vendors the price spectrum for rosé wines is less than that for red or white wines. Only a few rosé wines are on sale for more than 10 Euro. There are only a very few pink-coloured cult-wines that spring to mind on the German market. That narrow segment of super-premium wines and icons is taken up mainly by red wines and a few specialty white wines.

A wide spectrum of opinion from producers

As preparation for my presentation I asked a number of producers in Germany how they market their rosé wines. I received a wide spectrum of answers.

A Managing Director told me that in his company rosé wines belonged to the area of semi-sweet wines. Portugieser and Dornfelder grapes are used. In particular young consumers are targeted with these uncomplicated semi-sweet rosé wines. The cooperative has a dry rosé wine made from Pinot Noir for older wine drinkers. The price of the rosé wines is between 5 - 6 Euro for a 0.75l bottle.

A well-known estate owner said to me that all of his rosé wines were typically dry. His rosé wines were produced using the Saignée-method and priced at 8.50 Euro for a 0.75l bottle. The price was the same as the starting price for white wine and much less than the price for red wines at this estate. Rosé wines are a seasonal product for the estate, a summer wine and only on offer as a new vintage. The rosé wines are served in his bistro as an aperitif, with fish and seafood.

I received a similar assessment from a large wine-growing cooperative in Rhineland-Palatinate that markets 70% white wine, 20% red wine and 10% rosé wine. The rosé wines are semi-sweet at entry-level prices and only on offer seasonally. Easy to drink and easy to understand. So I am coming to the question:

For which occasions are rosé wine recommended?

In the warm summer months private outdoor events take on importance. Wine promoters recommend rosé wines to accompany food for summer evenings on the patio or balcony, at a barbecue or garden party. I also often take notice of these recommendations and enjoy the tangy freshness of my favourite rosés. But it would be a mistake to confine the consumption possibilities to “warm weather on the patio”. There are also other occasions when I like to choose a glass of rosé as an aperitif, so that its freshness can open up my senses and sharpen my appetite for the food that

is to come. Rosé wines are increasingly recommended for many summer dishes: with asparagus, artichokes, aubergines, avocados etc., for fish dishes, with scallops, prawns and shrimps, for beef carpaccio or “vitello tonnato” and not forgetting fruity desserts.

Prognosis for rosé wine on the German market

The importance of rosé wines in the future is difficult to predict. Following years of growth of rosé wines the last two years have seen a stabilizing trend. Producers and promoters currently expect the market share to remain at around 10% of the German total market. That means about 250 Mio. bottles! Although if you take into account what has happened in Baden the importance of rosé wines could increase in future. The “rosé wine family” has received new impulses from the “Blanc de Noir” and other production innovations.

All the Managing Directors from vineyards and wine-growing cooperatives were in agreement that currently almost no high-price rosé wines would sell in Germany. On the shelves they are sold at the entry-price level of white wines. However, production innovations are opening new doors, also towards a new price segment. My gastronomy enquiries show that rosé wines currently have no place in top-class restaurants, although they are popular in bistro restaurants. Rosé wines are increasingly recommended to accompany fish and seafood, summer vegetables and, in particular, asparagus.

Producers view rosé wines as a summer-season business. Women are most likely to enjoy drinking rosé wines regardless of the time of year. The sweetness of the wine varies with the chosen target group of the wine-growers.

In general it can be said that there is a trend towards lighter wines with less alcohol. This could be a chance for rosé wines because they often fit into this category. The current trend towards uncomplicated enjoyment makes rosé wines an easy choice for customers wanting an uncomplicated consumer experience. But I do hope that there are more doors open for new experiences!